

**BALANCED SCORE CARD APPLICATION AND STRATEGY
IMPLEMENTATION AT THE ICEALION GROUP - KENYA**

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DECLARATION

This research project is my original work and has not been presented for a degree in any university.

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DEDICATION

This research project is dedicated to my dear husband Benjamin Muendo and children Tryphena, Tracy and Andrew for the support during the study and constant encouragement to move on despite the demands of this project. It is through your support, understanding and prayers that this was possible. To my two sisters Grace and Catherine and brother Jones who dedicated their time to look after the children when I was not available.

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ABBREVIATIONS AND ACRONYMS

BSC: Balanced Score Card

ICEA: Insurance Company of East Africa

LOK: Lion of Kenya

IRA: Insurance Regulatory Authority

AKI: Association of Kenyan Insurers

CEO: Chief Executive Officer

AGM: Assistant General Manager

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ABSTRACT

A strategy is a plan of action that shows how any organization will develop a sustainable competitive advantage with an intention of taking the organization to the next level of success. The organizational strategy is by all means affected by the environment in which the organization operates in since the environment is usually turbulent with different levels and types of turbulence requiring different strategic plan of action. Crafting a strategy is only a beginning, the most critical part being the implementation. If a well formulated strategy is poorly implemented it will not bear fruits for the organization. For a successful strategy implementation, there is need to build the right capabilities and organizational culture. The objective of this study was to establish the extent of balanced scorecard application in a strategy implementation at the ICEA LION Group. The research used ICEA LION Group as a case to help dig information that revealed that there is a five year strategic plan that is reviewed as need arises. Data for the study was collected using an interview guide and later analysed by use of content analysis technique which helped extract the key themes, concepts and arguments from the data. By using content analysis, inferences were made by systematically and objectively identifying specified characteristics or issues relevant to the research objective. After data collection and analysis, a summary, conclusion and recommendations were made. The results revealed that although the four perspectives are given priority at the ICEA LION Group, top management support is very crucial for the implementation of the balanced scorecard and full realization of the corporate vision. All organizations are environment dependent and serving. As such, organizations should allow procedures and processes to be criticized so that better procedures can be developed. The study will also enrich the Theory of the Balance Score Card as a performance measurement tool by providing insights on the underlying principles once evaluated by an industry in application. In addition to obtaining insights on the four perspectives of the Balance Score Card the concepts providing a theoretical basis for this research will also be evaluated and the insights obtained will enrich the theories of Open System, Resource Based View and Dynamic Capability Theory. It will also assist the practice of Insurance and financial sector by identifying best practice with respect to performance measurement for adoption. The results in this study have implications for both theory and practice.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The Balanced Scorecard (BSC) was introduced by Kaplan and Norton (1992). Before then, the dominant approach to performance measurement was financial perspective. The BSC concept considers process and financial outcome. The BSC is a strategic planning and management system that is used extensively in business and industry and all other types of organizations in the public and private sector. Its primary objective is to align business activities to the vision and strategy of the business, improve internal and external communications and monitor organization performance against strategic goals. Today's business world is characterized of stiff competition and inevitable dynamic environment. Thus organizations need to have the ability to integrate internal and external resources and competencies in order to strive in the market. Organizations need the strategies to learn quickly and build strategic assets. New strategic assets such as capability, technology and customer feedback have to be integrated within the company. Existing strategic assets need to be transformed or reconfigured. Major environmental shifts are now demanding a more strategic perspective from those who manage and lead organizations. Developments in technology are leading to greater efficiencies, reduced costs and opportunities to launch new products and services. Change is becoming a dominant feature in organizations. The nature of organizations is becoming more complex than ever before, Beardwell and Holden (1997). Adaptability and flexibility are

essential characteristics for survival and success.

Open System theory of management states that, as organizations and communities conduct their business, they influence and change their external environments, while at the same time being influenced by external changes in local and global environments (Chaharbaghi and Lynch, 1999). This two-way influential change is known as Change Active Adaptive. Organizations and communities are open systems i.e. changing and influencing each other over time. Mahoney and Pandian (1992) states a resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier. Barney (1991) summarizes the criteria for evaluating resources as VRIN i.e. Valuable, Rare, In-imitable and Non Substitutable. Teece (1997) defines dynamic capability as the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. Organizations and their employees need the capability to learn quickly and to build strategic assets. New strategic assets such as capability, technology and customer feedback have to be integrated within the company. Existing strategic assets have to be transformed or reconfigured. Dynamic capability is essentially the learning of an organization, development of new assets and the transformation of existing assets.

The balanced scorecard assesses organisational performance across four different related perspectives that are derived from organisation's vision, strategy and objectives. These are financial perspective, customer perspective, internal business process perspective and learning and growth perspective. The financial perspective is concerned with the organisation's objective to earn higher profits by applying the resources. The Customer

perspective is concerned with customers' perceptions, feelings and loyalty. This is important because if customers are not satisfied, the revenues will be lower and as a result return on investment will decrease. The internal business process perspective which refers to quality production and timely delivery of products and services is important for retaining existing customers and for attracting new customers. Learning and growth perspective is a measure of how employees are trained, motivated and acquire necessary competencies to improve the work process, which will in turn improve the quality of the product and timely delivery of the same. (Chaharbaghi and Lynch, 1999)

Strategy execution is one of the most critical components of strategic management. A strategy that is not implemented is not a strategy at all. In fact, as Bonoma (1984) observed, good execution may save poor strategy, whereas poor implementation ensures trouble or failure regardless of how appropriate the strategy has been formulated. A astute manager will begin with the end in mind that is, he should think about implementing the strategy at the very outset of strategy development. Implementing and executing strategy entails figuring out the entire how's, for example the specific techniques, actions and behaviours that are needed for a smooth strategy supportive operation and then following through to get things done and deliver results. This means that at the strategic implementation phase, the core task of the manager is to help in the translation of planning work to working the plan (Thompson, Strickland & Gamble, 2007).

The ICEA LION Group was formed as a result of a merger between Insurance Company of East Africa Limited (ICEA) and Lion of Kenya Insurance Company (LOK) Limited in

December 2011. It sales both life and general business products and is also highly involved in investment and trusteeship. The group currently uses the balanced scorecard and this study endeavours to establish the extent of its application in the group's strategy implementation.

1.1.1 The Balanced Scorecard

The Balanced Scorecard (BSC) is a strategic performance tool that allows organizations to manage and measure the delivery of their strategy. The concept was initially introduced by Art Schneiderman (1987) while working with an Analogue device company but later advanced by Kaplan and Norton (1972) and has since been voted as one of the most influential business ideas of the past 75 years (Hansson, 2003).

The BSC added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more balanced view of the organizations performance. The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system (Wesses, 1993). It transforms an organization's strategic plan from an attractive but passive document into the marching orders for the organizations on a daily basis. It provides framework that not only provides performance measurement but also helps planners identify what should be done and measured. The BSC was born after recognizing some of the weaknesses and vagueness of the previous measurement approaches.

The balanced scorecard is a measurement and a management tool that enables

organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. The balanced score card retains traditional financial measures. These financial measures are inadequate, however for guiding and evaluating the journey that companies operating in the era of information technology must make to create future value through investment in customers, suppliers, employees, processes, technology and innovation (Kaplan, 2001). Like most good ideas, the concept of the balanced scorecard is very simple. Kaplan and Norton (2001) identified four generic perspectives that cover the main strategic focus of a company. The financial perspective covers the financial objectives of an organization and allows managers to track financial success and shareholder value. The customer perspective covers customer objectives such as customer satisfaction, market share as well as product and service attributes. The internal process perspective covers internal operational goals and outlines the key processes necessary to deliver the customer objectives. The learning and growth perspective covers the intangible drivers of future success such as human, organization and information capital.

1.1.2 Strategy Implementation

Strategy which is a fundamental management tool in any organization is a multi-dimensional concept that various authors have defined in different ways. It is the match between an organization's resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson S, 1993). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions influence the way organizations respond to their environment, it is

very important for a firm to make strategic decisions and define strategy in terms of its function to the environment. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Ansoff (1999) views strategy in terms of market and product choices. According to his view, strategy is the “common thread” among an organization’s activities and the market. Johnson and Scholes (1998) define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation. Mintzberg and Quinn (1979) also had a hand in strategy definition whereby they perceive strategy as a pattern or a plan that integrates organization’s major goals, policies and action into a cohesive whole. Porter (1996) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. Pearce and Robinson (2007) defines strategy as the company’s “game plan” which results in future oriented plans interacting with the competitive environment to achieve the company’s objectives. Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder’s expectations.

Strategic management is, hence, both a skill and an art. Good strategic management requires both clear thought and sound judgment. Strategic management is the formal and

structured process by which an organization establishes a position of strategic leadership. Strategy development is a multidimensional process that must involve rational analysis and intuition, experience and emotion. Whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior management level, is likely to be chaotic with no basis for comparing and evaluating alternatives. Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary fads, and to wishful thinking (Hill and Jones, 2001)

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve strategic objectives. The environmental conditions facing many firms have changed rapidly. Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated. Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organization, even if in some cases actual implemented strategy can be very different from what was initially intended, planned or thought. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Olson et al. 2005). In recent years organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms (Balogun and Johnson, 2004). Responsibility, resources

and power in firms has been the subject of decentralization and delayering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies (Chebat, 1999).

1.1.3 The ICEA LION Group

This company operates in the Kenyan insurance industry which is governed by the Insurance Act, Chapter 487 of the laws of Kenya and regulated by the Insurance Regulatory Authority (IRA) which is a State Corporation whose mandate is to regulate, supervise and develop the insurance industry in Kenya. As earlier noted the Group was formed as a result of a merger between Insurance Company of East Africa Limited (ICEA) and Lion of Kenya Insurance Company (LOK) Limited in December 2011. Mr. Steve Oluoch-CEO, ICEALION Group, (www.icealiongroup.com) observes that the rationale behind the consolidation was to enable the group derive maximum benefits from the synergies that arise from the pooling together and sharing of resources. Such shared resources include a larger asset base, an enhanced human resource pool with attendant diverse and specialized technical skills, common financial and technical Information Technology systems, a larger client data base, an enhanced underwriting capacity supported by a superior reinsurance program secured by some of the top reinsurers in the regional and international market and a much broadened portfolio of insurance and financial services that will meet the needs of a wider range of clientele. (www.icealiongroup.com)

A key element of the consolidation explained above has been the establishment of

separate life and non-life insurance companies in Kenya. ICEA LION Life Assurance Company is a dedicated life insurer while ICEA LION General Insurance Company is a general insurance company, with both operating as subsidiaries of ICEA LION Insurance Holdings Limited. This separation enables each entity have complete focus on its core business, for enhanced customer service, specialization, internal efficiency and competitiveness. The consolidation was also consistent with the government's declared intention to encourage movement in this direction. As a result of the merger, the merged group has assets exceeding KES 28 billion and an aggregate gross annual premium in the region of KES 8 billion(www.icealiongroup.com).

1.2 Research Problem

The Balanced Scorecard was introduced by Kaplan and Norton (1992) as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more balanced view of organizational performance. The performance measurement principles of this tool are consistent with the assumptions of the Open System Theory, the Resource Base Perspective and the Dynamic capability theory. The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. Kaplan and Norton (1996) in their view of a North American Insurance Company namely National Insurance Company identified the challenge of lagging indicators in the Balanced Score Card as a performance measurement tool for an insurance company and determined appropriate lead indicators that compensate for the lagging effect and so empower the Balanced score card as a performance measurement

tool.

This study was conducted at the ICEA LION Group. As noted earlier the Group was formed following a merger between ICEA and LOK in December 2011. It operates in the Kenyan insurance industry which is regulated by the Insurance Regulatory Authority (IRA). It sales both general and life products. It is also highly involved in fund management and trustee scheme administration. According to The Group's 2011 Financial Report, the investment and related income amounted to KES 655.5 million, compared to KES 468.9 million realized the previous year, bringing the Group's consolidated revenue for the year to over KES 3.0 billion, their highest ever. The general insurance product lines includes motor and property insurances, marine and aviation insurances. The life products include life insurances, asset management and trusteeship. According to the IRA insurance industry report (March 2014) for the period ending December 2013, the ICEA LION General business had a gross premium of KES 4.5 billion against industry's KES 86.7 billion. This translates to 5.2% market share. The ICEA LION life business had a gross premium of KES 24.2 billion against the industry's KES 84 billion, this indicates a 9.12% market share.

Pravena, (2011) conducted a study on performance measurement capability of the Balanced Scorecard in a Malaysian insurance Company and identified its ability to measure non tangible people aspect of performance that financial measures are unable to quantify. She noted that Balanced score card as a measurement tool enables synchronization between strategic objectives and daily operations of staff, hence provides a basis for the measurement of non-tangible aspects of staff behaviour by evaluating the

learning of and growth dimension of the Balanced Score card. Caudle S. (2008) in her study on the balanced score card as a strategic tool in implementing Homeland Security strategies described and illustrated the balanced scorecard as a tool to better implement homeland security strategies. The article introduced the balanced scorecard approach, described an extended enterprise public sector balanced scorecard that can be used by individual organizations or in partnership with other organizations, advocated and illustrated a homeland security scorecard and homeland security strategy mapping.

A study by Mutonga(2013)on Balanced scorecard as a Performance Measurement tool in the insurance firms in Kenya recommends that insurance firms that seek to measure their performance should adopt the use of balanced scorecard as it is a very effective tool in measuring performance in organizations.The study found that the customer perspective element of balance scorecard adequately measured customer satisfaction in their firms and that business process element of balance scorecard adequately measured the performance of internal process in their firms. The study also revealed that the innovation and learning element of balance scorecard adequately measures the ability of your firm to innovate and adopt the environment. Opiyo (2010) in her study on the application of balanced scorecard on employee job satisfaction at Cooperative Bank of Kenya Limited focused on the benefits of BSC aligning the operations of strategy by effecting performance measurement. A survey of Insurance firms in Kenya done by Abwao(2002) highlights empowerment of staff arising from embracing information technology as a key element in the learning and growth perspective of the Balanced Scorecard.

There are several studies on the balanced score card in Kenya and elsewhere but none of

them, to the best of knowledge of the researcher, addressed extent of its application in strategy implementation. As such, this study sought to identify the extent of application of the balanced score card in strategy implementation at the ICEA LION Group. The research question therefore was: What is the extent of the application of balanced scorecard in strategy implementation in ICEA LION Group?

1.3 Research Objective

To determine the extent of the application of balanced score card in strategy implementation at the ICEALION Group.

1.4 Value of the study

The concept of balanced scorecard approaches an organization with a holistic view and looks at it in four or more perspectives. To embark on BSC, an organization must understand the strategic plan/vision. By analysing the different perspectives, the balanced scorecard model helps the selected company to monitor its performance. The study of this topic adds to existing knowledge since there is not a lot of literature available relating to BSC. The study of theories also helps liberate organizations still entrenched to traditional management system to see the need of using BSC. Further, the findings of this study will be useful to management of the Group as well as for other organizations in understanding the extent of the balanced score card in strategy implementation. This study

will be valuable to other organization in the insurance and other industries in their strategy implementation. Moreover, the findings of this research serve as an eye opener for future academicians to study aspects and other branches related to BSC, it will be used as a reference material for future researchers on other related topics. It will also help other academicians who will undertake a related topic in their studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter elaborates the concept of the Balanced Scorecard by reviewing various literal works from the authors of Balanced Scorecard (Kaplan and Norton) as well as other commentators of the same. It discusses the theoretical foundation of the Balanced score card. This discussion builds the link between balanced scorecard and strategy implementation discussed in the last section of this Chapter.

2.2 Theoretical Foundation

This study was based on Open systems theory, Resource-based theory and dynamic capabilities theories.

2.2.1 Open Systems Theory

Bertalanffy (1988) defined an open system as a “system in exchange of matter with its environment, presenting import and export, building-up and breaking-down of its material components”. Open systems theory has varied applications in various disciplines such as social science, anthropology, history to mention a few. In management the theory states that as organizations and communities conduct their business they influence and change their external environments, while at the same time being influenced by external changes in local and global environments. This two-way influential change is known as active adaptive change.

Open System theory of management states that, as organizations and communities conduct their business, they influence and change their external environments, while at the same time being influenced by external changes in local and global environments (Chaharbaghi and Lynch, 1999). This two-way influential change is known as Change Active Adaptive. Organizations and communities are open systems i.e. changing and influencing each other over time. To be able to study an organization under this feature the following terms and definitions are outlined.

The boundary which refers to an arbitrary line that outlines the area to be studied in the organization. The environment which includes all the identified aspects and influences to the area under study that are outside the system. Inputs in this context will refer to anything that comes into the identified system from the environment. These will include customers’ orders, power supplies, technological equipment, raw material, and labour/Human resource. Processes here will refer to the whole cycle that converts inputs into outputs. This encompasses production and planning processes as well as marketing the organization’s products and completing the sales process (Chaharbaghi and Lynch,

1999).

Outputs refers to anything that leaves the identified system and is transferred to the environment. They include products and services but the systems approach also considers waste and losses as outputs. This systems approach identified the negative feedback control loop as the most common adaptive mechanism for open systems. The Negative Feedback Control Loop, as its name implies, attempts to eliminate those differences that are identified between the desired results and the actual results.

2.2.2 Resource-Based View

Mahoney and Pandian(1992) states a resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier. Barney(1991) summarizes the criteria for evaluating resources as VRIN i.e. Valuable, Rare, In-imitable and Non Substitutable. Chaharbaghi and Lynch (1999) Resource Based view provides the understanding that certain unique existing resources will result in superior performance and ultimately build a competitive advantage. Sustainability of such an advantage will be determined by the ability of competitors to imitate such resources. However, the existing resources of a firm may not be adequate to facilitate the future market requirement, due to volatility of the contemporary markets. There is a vital need to modify and develop resources in order to encounter the future market competition.

Makadok (2001) emphasizes the distinction between capabilities and resources by defining capabilities as a special type of resource, specifically an organizationally embedded non-transferable firm-specific resource whose sole purpose is to improve the productivity of the other resources possessed by the firm. The resource based view has been a common interest for management researchers and numerous writings could be found for same. A resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Mahoney and Pandian 1992).

2.2.3 Dynamic Capabilities Theory

Teece(1997) defines dynamic capability as the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. Organizations and their employees need the capability to learn quickly and to build strategic assets. New strategic assets such as capability, technology and customer feedback have to be integrated within the company. Existing strategic assets have to be transformed or reconfigured. Dynamic capability is essentially the learning of an organization, development of new assets and the transformation of existing assets. Teece, (2009) over time a firm's assets may become co-specialized, meaning that they are uniquely valuable in combination. An example is where the physical assets (e.g. the plants), human resources (e.g. the researchers) and the intellectual property (e.g. patents

and tacit knowledge) of a company provide a synergistic combination of complementary assets. Such co-specialized assets are therefore more valuable in combination than in isolation. The combination gives a firm a more sustainable competitive advantage.

Dynamic capability framework considers the ability of a firm to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. This framework or theory refers to the resources in the resource base theory as proposed by Barney, (1986) & Wernerfelt (1984). They are those specific physical (specialized equipment, geographic location) human (expertise in chemistry) and organizational (superior sales force) assets that can be used to implement value creating strategies. Grant(1996) and Pisano (1994) while observing dynamic capabilities are the antecedent organizational and strategic routines by which managers alter their resource base-acquire and shed resources, integrate them together and recombine them to generate new value creating strategies. They say that dynamic capabilities consist of identifiable and specific routines with some integrating resources for example product development routines by which managers combine their varied skills and functional backgrounds to create revenue producing products and services. Hansen, (1999) also indicates that other dynamic capabilities focus on reconfiguration of resources within firms. Transfer processes including routines for replication and brokering are used by managers to copy, transfer and recombine resources, especially knowledge based ones, within the firm.

2.3 Balanced scorecard and strategy implementation

The balanced scorecard is a performance management approach that enables organizations to clarify their vision and strategy and translate them into action (Mooraj et

al., 1999). It provides feedback around both the internal business processes and external outcomes in order to improve strategic performance and results continuously. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise (Chan, 2004). Kaplan (1992) and Norton (1996) argue that, balanced scorecard has been adopted by a wide range of leading edge organizations, both public and private. The balanced score card is a conceptual framework for translating an organization's vision into a set of performance indicators distributed among four perspectives. This revolves around organization structure, organization culture, policies and procedures, management and staff commitment and budgetary allocation. Through the balanced score card, an organization monitors both its current performance and its efforts to improve processes, motivate and educate employees and enhance information systems and its ability to learn and improve.

A balanced scorecard approach to strategy implementation appraisal is an effective way of getting a complete look at an employee's work performance, not just a partial view. Too often, strategy implementation plans with their elements and standards measure behaviors, actions, or processes without also measuring the results of employees' work. By measuring only behaviors or actions in strategy implementation plans, an organization might find that most of its employees are appraised as outstanding when the organization as a whole has failed to meet its objectives (Wilson et al., 2003). By using balanced measures at the organizational level, and by sharing the results with supervisors, teams, and employees, managers are providing the information needed to align strategy implementation plans with organizational goals. By balancing the measures used in strategy implementation plans, the performance picture becomes complete. Niven (2003)

points out that balanced scorecard is used to manage strategy implementation by linking measurement of strategy implementation to the four perspectives of the balanced scorecard viz. employee perspective, internal business perspective, innovation and learning perspective, financial perspective and customers satisfaction. Experience of implementing the balanced scorecard has been investigated in a number of studies, in private and public organizations alike. The results differ in terms of success and failure, but with an apparent predominance of success (Mooraj et al., 1999). Chan (2004) provides the following list of enablers for successful implementation: top managers' commitment; middle managers' and employees' participation; a culture of performance excellence; training and education; keeping the balanced scorecard easy to use; clarity of vision, strategy and outcome; links with incentives; and resources to implement the balanced scorecard. Lists of implementation requirements are also availed by different authors, for instance, McCunn (1998).

Anecdotal reports on balanced scorecard have been concentrated in the for-profit sector and many firms have found the balanced scorecard a useful tool for focusing and sustaining their continuous improvement efforts (Brewer, 2002; Gumbus and Lyron, 2002; Kershaw and Kershaw, 2001). The origin of the word “perspective” is from the Latin *prospectus* “to look through” or “to see clearly” which is precisely what we aim to do with a BSC: to examine the strategy, making it clearer through the lens of different viewpoints. Creating a balanced scorecard starts by naming the viewpoints of the work. Most commonly, the balanced scorecard work is carried out from the four viewpoints suggested initially Kaplan & Norton (1992), financial viewpoint, customer viewpoint, viewpoint of the internal processes and viewpoint of learning and growth. Other possible

viewpoints that are used in the literature are linked to, among others, human resources, the environment and social impacts. The viewpoints utilized here are the four generic ones as initially suggested by Kaplan and Norton.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the design that was adopted by the researcher, the data collection methods and procedures. It also highlights the operationalization of balanced score card and the methods of analysing and presenting data.

3.2 Research design

Cooper & Schindler (2001) described research design as the blue print for collection, measurement and analysis of data. The research was a case study of the ICEA LION

Group. This is because the unit of analysis is one firm.

3.3 Data Collection

Data collection is the process of gathering information about a phenomenon using data collection instruments (Sekaran, 2000). Primary data was used in the study and was collected by use of an interview guide.

The respondents were the key top management team as they are directly involved in the formulation and implementation of strategies at the Group. These are two CEOs and four AGMs drawn from both the ICEA LION General and ICEA LION Life Companies.

3.4 Operationalization of Balanced Score card

Operationalization is the process of strictly defining variables into measurable factors. The process defines fuzzy concepts and allows them to be measured, empirically and quantitatively. The number of years of service in the senior management will reflect the length of time the respondent has been involved in strategy implementation.

3.5 Data Analysis

The research was mainly qualitative in nature. The data collected was analysed using content analysis of the written materials drawn from personal expressions of participants. According to Cooper and Schindler (2011) content analysis measures the semantic content of 'what' aspect of the message. Its breadth makes it flexible and wide-ranging tool that is used as methodology or a problem specific technique. The data collected from the interviews was then summarized according to the theme of the study. The data was analysed to determine its accuracy, credibility, usefulness and consistency.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis of the data guided by the objective of the study which was to determine the extent of application of the balanced scorecard in strategy implementation at the ICEA LION Group. To meet the objective, research data was collected using an interview guide which was administered to the respondents as planned. The collected data was analysed using content analysis, a technique used for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate trends. By use of this

technique, meanings and implications were deduced from the information given by the respondents.

4.2 Strategy Implementation at ICEA LION Group

The study established that the top management team of the Group are directly involved in change and strategy formulation. Their decisions are cascaded down to the management team then to the departmental heads who then ensure that all the other employees get the strategies in a realistic workable and implementable way. The vision of the institution is to sustain an undisputed position as Eastern Africa's leading provider of insurance and related financial services based on its reputation for professionalism, integrity and reliability. Their Mission is to provide high quality insurance and related financial services that meet and exceed the needs and expectations of their clients, consistent with global best practice. Their core values and operating principles are profitability, professionalism, integrity, reliability, delivering on their promises, business partnerships, their people, working as a team, communicating, learning and personal growth, high standards and excellence in service delivery. These Vision, Mission, Core Values and operating principles are communicated through corporate strategic plan, workshops, internal trainings and through the company's intranet.

Prior to implementing the strategy, managers should effectively communicate to all staff about the desired change so that all staff are committed to ensuring a smooth transition, make the strategy work and meet performance targets. Management's handling of the strategy implementation process can be considered successful if and when the company

achieves the targeted strategic and financial performance and shows good progress in making its strategic vision a reality. The idea in strategic implementation is to reach a state in which everyone in the organization understands what he/she is expected to do and why. This is the state of mutual understanding. Although it is the only state in which implementation can be secured for an extended period of time, few organizations fully achieve it. The scorecard would help integrate and provide a link between long and short term strategic plans of the Group by ensuring that the long term plans were dissolved to objectives which the short term plan would achieve thereby leading to the achievement of the long term plans. In addition, the scorecard was introduced with the intent of ensuring that other perspectives other than the traditional financial perspectives were also considered.

Before the Balanced scorecard, the company used a collection of both financial and nonfinancial measures as critical performance indicators. However, a well-designed balanced scorecard is different from such a system in that the four BSC perspectives form a chain of cause-and-effect relationships. For example, learning and growth lead to better business processes that result in higher customer loyalty and thus a higher return on capital employed (ROCE). The BSC would ensure impartiality between internal and external performances. This would mean that the organization would compare its services, cost of operation, and financial results among others with those of other competing players in the industry. In this way, the organization would learn the strategies adopted by competitors and hence develop their strategies in order to ensure that they were ahead of competition.

The top management team also intended that the scorecard would help highlight the lagging and leading indicators. This would mean that, each of the four perspectives would be compared against a weighted average of total and hence the poorly achieved perspective would be highlighted and strategies to improve performance developed. This would ensure that the management and departmental heads would continuously get feedback and hence be put to task to always ensure that for purposes of successfully achieving the objectives of each perspective, issues that needed the support and facilitation from the general managers were highlighted. The BSC aids in drafting performance measures that would be developed through appraisals which would ensure that each individual goals were aligned to that of the company's objectives. Such an appraisal system would lead to employee satisfaction and basis for reward and compensation hence motivation.

The four perspectives of the balanced score card identified earlier in this study are the Financial perspective, customer perspective, internal processes and learning and growth. Each of the four perspectives were found to link the objectives of each individual department to that of the overall organization. The four perspectives that were found in the balanced scorecard of ICEA LION Group are as follows. First is the finance and strategy (financial perspectives). Financial measures are critical component of the balanced score card. The objectives and measures of this perspective tells us whether our strategy execution is leading to improved bottom line results. We could focus our energy and capabilities in improving customer satisfaction, quality on-time delivery among

others, but without an indication of their effect on the organizational financial returns, they are of limited value. Timely and accurate financial data is always needed by an organisation. But too much should not be read into financial data alone; its role is as part of a balanced perspective, hence the balanced scorecard. In their discussion of the financial perspective, The balanced scorecard concept moves stakeholders away from a single-minded obsession with traditional accounting data. However, in the extreme case, financial performance measures were apparently forgotten as managers, stock analysts and investors became obsessed with customer satisfaction and intangible asset growth.

The use of BSC has enabled the organization to develop strategies that are geared towards achieving its financial targets. Under this perspective, each department measures its success or failure by how they have performed based on their budgetary allocation. This entails implementing appropriate strategies to achieve sustained business profitability and competitive return on investment and to continuously enhance and strengthen management and internal controls in order to achieve set expense ratios.

The second perspective is the customer service delivery (customer perspective). When choosing measures of customer perspective of the scorecard, organization must answer three critical questions: Who are our target customers? What is our value position in serving them? What do our customers expect or demand from us? Each of these questions offers many challenges to organizations. Strategist Michael Porter (1985) observes that lack of focus will prevent an organization from differentiating itself from competitors. Choosing value propositions poses challenge to firms. Many will choose one of these

three disciplines: operational excellence, product leadership and customer intimacy. In this perspective, the study established that the departmental heads gauge their success by maintaining high levels of operational efficiency to boost service delivery and enhance competitiveness. The key performance indicators, according to the respondents would be the turnaround time of issuing policy documents, documenting and resolving customer complaints in accordance with complaints Policy and the measurement of the level of customer satisfaction. This would be measured by the number of customers renewing their policies and the number of new policies the company has issued compared to the same period the previous years.

The third perspective is the Internal Business Process perspective. Here we identify key processes the firm must excel at in order to continue adding value for customers and ultimately shareholders. Each of the customer discipline will entail the efficient operation of specific internal process in order serve customers and fulfil our value propositions, our task is to identify those processes and develop best possible objectives and measures with which to track progress. Many organizations rely heavily on supplier relationship to serve customers effectively. Such organizations should consider developing measures to enhance those relationships. Kaplan and Norton (1996). Balanced scorecard measures based on this perspective help managers see how well their business is running and whether its day-to-day activities support the organisation's key goals. The study found that the Group achieves by pursuing prudent risk management to improve underwriting results by ceding big risks which are beyond the company's retention capacity to reinsurers. There is also the need to conform with internal, statutory and industry

compliance requirements and procedures.

The last perspective was the Learning and growth perspective (innovation). This entails implementing appropriate employee development initiatives to sustain a competent and motivated workforce by identifying and bridging employee skills and knowledge and competency gaps. The objectives and measures in the employee learning growth perspective in the Balanced Scorecard are the enablers of the other three perspectives. They are the foundation upon which the BSC is built. Employee skills, satisfaction, availability of the information and alignment all have a place in this perspective. Kaplan and Norton, (2001) underscore the importance of innovation and learning in their statement that a company's ability to innovate, improve, and learn ties directly to the company's value. While the financial perspective deals with the projected value of the company, the innovation and learning perspective sets measures that help the company compete in a changing business environment. This angle looks at the training of an organisation's people, and its shared corporate attitudes to self-improvement. Measuring development in this area allows managers to use the balanced scorecard to identify where to focus training funds to make them most effective and effective in their day to day work.

The study established that each employee is expected to complete three e-learning courses in a year as well as pursuing relevant professional courses and attending seminars and workshops usually organized yearly at industry level. In addition, each employee's training needs or skill gap which hinder the employee to perform as required are

identified during the performance appraisals. Further, the employee's performance areas requiring improvement are also identified. The employee's interpersonal skills, team work and contribution beyond call of duty are assessed. This would entail innovativeness and creativity i.e. whether the employee is known for coming up with imaginative, resourceful, inspiring, and game changer ideas and suggestions on how to deal with issues and solve problems.

4.3 Factors influencing the use of Balanced Scorecard in strategy implementation at ICEA LION Group

Balanced Score Card implementation will bring changes to the firm's vision and how they run. Firms are finding their way to improve the effectiveness of balanced scorecard. The study found that the balance scorecard play a vital role for implementing strategy and monitoring performance. A number of factors were identified which influence use of BSC in strategy implementation by the Group.

Firstly, Top Management support. It is obvious that it would be very difficult to make any major changes without having the support of top management. This would lead to poor development of the strategy. From this study, it is apparent that BSC is more effective means of understanding productivity and profitability than traditional management control methods, only if, proper strategies are laid down with the support of top management.

Secondly, clear communication of the organizational goals and strategies and where the

company desires to be at the end of the five year period. The way that companies communicate strategy or ideas will also affect the effectiveness of BSC. The result shows that two-way communication, which allows the subordinate to respond, enhanced the effectiveness of BSC. This is may be because interactive communication increases the understanding and teamwork among the employees. Communication is very important, since it can improve the understanding and enhanced the teamwork to achieve the goal and objective of the organization. Clear communication leads to knowledge of the strategy implementation process. It was found that communication is also done through corporate strategic plan, workshops, internal trainings and through the company's intranet. According to Malina M. A et al (2001), communication is one of the hurdles to implement BSC and stated that two-way communication (when subordinates allowed to give response) could be solution for the problem

Thirdly, Staff involvement. The level of staff involvement may be influencing the BSC effectiveness as a management tool. Level of staff involvement proved to be an influence to the effectiveness of BSC. The respondents felt that middle managers involvement is critical to improving the effectiveness of BSC in strategy implementation, since they are the ones who link the strategic decision makers with the employee who literally work in everyday basis to achieve the goal.

Fourthly, teamwork is important in order to use the BSC effectively in strategy implementation. Two-way communication would allow the subordinates to respond, giving feedback and suggestion, which will be very helpful to the decision makers to evaluate and/or reconstruct the strategy to be appropriate with a particular condition.

Moreover, two-way communication also allowed the employees to improve the understanding about the BSC by discussing the goals and strategy with their superior, therefore with a better understanding, they can achieve a better performance result and improve the effectiveness of the BSC itself.

Fifthly, balance between Goals and accountability. The use of BSC in performance management of the employees ensures that individual's objectives are aligned to the Company's perspective. Thus the individual is accountable for their actions.

4.4 Challenges faced by ICEA LION Group in using the BSC in Strategy Implementation

The balanced scorecard is critical in the integration of the strategic plan to the operations of the organization. There were several bottlenecks that were encountered by the Group in the use of the BSC in their strategy implementation. Some respondents felt that most of the employees including line managers view the BCS concept as complex. People do not like being held accountable. The fact that the BSC measures achievements of targets did not do not well with some people.

It was also established that the manner in which the balanced score card was unfolded made it look so complex and hence there were some resistance. Due to this, some employees right from the introduction of this strategic implementation tool looked at it with lots of fear and suspicion. To many it looked like a tool that would lead to downsizing, therefore looked at it as a way to craft their termination from service. With this kind of mentality, it was really hard for progress to be made and yet the top

management was pushing the implementers to ensure that the overall organization benefited fully from the use of BSC.

A major drawback identified was the knowledge gap that was encountered especially during the implementation phase. It was felt that not all employees have mastered the BSC frame work. Assigning weighting into different perspectives and developing cause-effect relationship between perspectives are the following major problem during implementation stage of BSC. Some respondents felt that there was incorrect and unbalanced weighting of targets. This involves giving weight and prominence to goals with less impact on the desired results.

In addition cascading implementation procedures to individual level was also found to be a challenge. Cascading to Individual level requires engaging the hearts and minds of your workforce. This entails getting their agreement and commitment to set targets. If that engagement is not achieved the Individual Level BSC becomes nothing more than a documentations exercise at the end of each reporting period. More often than not, the behaviour of the workforce will not change. The best remedy for this is to engage the team in formulating the Balanced Scorecard (objectives & targets) and have them participate in setting targets.

4.5 Discussion of Results

The study established that the organization has a five year strategic plan (2013-2018) which is used as the policy document as well as a reference point for strategy formulation and implementation. The various departments and individuals as well have their goals

articulated and aligned to the company's objectives. This is formalized by performance appraisals which are done half yearly and feedback given by the appraisers to the appraisee on how to help them own and achieve the objectives of the company. The employees end of the year bonuses and salary increments are pegged on the appraisals which normally use the balanced score card. In order to realize the companywide objectives, the departmental heads are evaluated based on the results of their department's scorecards. As such each of the employee irrespective of their position work towards implementing and steering the organization in the planned direction. From this study, it is apparent that BSC is more effective means of understanding productivity and profitability than traditional management control methods, only if, proper strategies are laid down with the support of top management. From the view of the respondents, there was need to align the individual goals to the vision and mission of the organization.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This last chapter draws conclusions and makes recommendations based on the findings of the study as was got from the respondents. This chapter summarizes the findings of the study in relation to the study objective which was to determine the extent for the application of the balanced score card in strategy implementation at ICEA LION Group. The conclusion will form the basis on which recommendations can be made. The recommendations will suggest ways that the Group can use the balanced scorecard in order to improve the strategy implementation process. This chapter also highlights the limitations of the study and makes suggestions for further research based on the gap of knowledge identified.

5.2 Summary of Findings

From the analysis of the collected data, it was evident that right from the introductory phase of the balanced scorecard, a few challenges were encountered which lead to the slow implementation of the balanced scorecard as a strategy implantation tool. The study establishes that successful BSC implementation must involve the whole organization in the implementation process.

Other benefits that the organization would optimally get by use of this strategic implementation tool include linking strategic objectives to long term targets and better strategic planning. The Balanced scorecard provides a powerful framework for building and communicating strategy. The business model is visualized in a strategy map which

forces managers to think about cause-and-effect relationships. The process of creating a strategy map ensures that consensus is reached over a set of interrelated strategic objectives. It means that performance outcomes as well as key enablers or drivers of future performance are identified to create a complete picture of the strategy.

Additionally, ICEA LION Group would gain more by having a healthier management information system since the balanced scorecard approach forces organizations to design key performance indicators for their various strategic objectives. This ensures that companies are measuring what actually matters. Research shows that companies with a BSC approach tend to report higher quality management information and gain increasing benefits from the way this information is used to guide management and decision making. Furthermore an improved performance reporting system would benefit the Group since companies using a balanced scorecard approach tend to produce better performance reports than organizations without such a structured approach to performance management. Increasing needs and requirements for transparency can be met if companies create meaningful management reports and dashboards to communicate performance both internally and externally. Organizations with a balanced scorecard are able to better align their organization with the strategic objectives.

In order to execute a plan well, organizations need to ensure that all business and support units are working towards the same goals. Cascading the Balanced scorecard into those units will help to achieve that and link strategy to operations. Lastly, a well implemented balanced scorecards help to align organizational processes such as budgeting, risk

management and analytics with the strategic priorities. This will help to create a truly strategy focused ICEA LION Group. By helping the management team identify a concise set of operationally focused measures across the balanced scorecard perspective, the framework would make it easier to highlight the key information needed typically reflecting customer satisfaction and the impact of innovation and improvement activities in addition to more typical and operational measures.

5.3 Conclusion

To some extent organizational failure or poor corporate performance is linked to poor strategic planning. However, in most cases it is not the strategy or plan that should be blamed but rather the direction chosen in the implementation of the plan and the organization's inability to keep its promise in transforming plans to action. It is therefore important for organizations to choose wisely which way to follow in the implementation of its strategies. Currently, the preferred way to go for organizations is the balanced scorecard way since it looks at the entire organization in a holistic and a balanced way.

This study showed that though the four perspectives are given priority, there is still some work that needs to be done in order to fully realize the corporate vision. Top management support is very crucial for the implementation of the balanced scorecard. The use of this tool enables the identification of all activities that acts as a trigger to reach established goals and to which it is therefore convenient to allocate the company's resources. The study also established the organization faces challenges in the use of a balance score card as a strategy implementation tool to some extent.

It can therefore be concluded that the BSC is designed to give companies the information they need to effectively manage their business strategy tactically and to translate company's plans and strategy into operational goals and activities

5.4 Recommendations

Many organizations have difficulties in establishing mechanisms that translate strategic vision into concrete goals and actions. The Balanced Scorecard acts as a solution and provides an effective way of communicating priorities to all levels of organization, such that all employees can see and understand how their work is related to the business and its success as a whole. However, simply having a balanced scorecard will not, on its own, deliver improvements as much as most organizations employ it as part of a wider performance improvement strategy.

This study recommends that ICEA LION Group among other companies should make data available for academic researchers in order to benefit from the following factors. As discussed in the preceding chapters, all organizations are environment dependent and serving. As such, organizations should allow procedures and processes to be criticized so that better procedures can be developed. Organizations all over the world have greatly benefited by availing information to researchers. Such benefits includes cost reduction in which case researchers from external sources analyse data and give recommendations for free as compared to when the organization tasks an employee to carry out investigations

and come up with a report. An internal researcher is more often than not influenced by the leadership of the organization as compared to external uninterested party. By engaging researchers, the business is able to concentrate on the core business and commit staff to more productive activities and hence company's core competencies. By freely allowing information, the researcher becomes a change catalyst. An organization can use an outsourcing agreement as a catalyst for major step change that cannot be achieved alone. This means that the researcher after coming up with recommendations may help put them into practice. Moreover, ICEA LION Group among other companies may benefit by use of external knowledge service providers to supplement limited in-house capacity for product innovation which goes a long way in improving the turnaround time for different chores.

It is important for the management to understand that even those organizations that have successfully and effectively benefited from the use of BSC also had challenges at the introductory phase but forged on to craft ways to overcome them. For this reason, there is need to develop an elaborate system that will monitor the progress and evaluate balanced scorecard as a strategic implementation tool at all levels and thereby come up with ways to make it more beneficial to the organization.

Consultants who are well versed with this tool and who have helped other organizations succeed in using this tool should also be hired. The consultants would be preferred because they are more conversant with the challenges to expect and have ways to overcome them even before they occur. As a result they will train staff in all cadres

without being biased thereby making the staff more receptive as compared to if it was the managers who conducted the training. Some staff may feel as though the managers are forcing the scorecard to them if they are the ones conducting such trainings.

5.5 Implication of the study on Policy, Theory and practice

Policy: This study will inform regulatory policy for the Insurance industry as it will provide the regulator with tools to appraise firm's capability to measure their own performance that is critical in the Risk Based Supervisory framework. This performance measurement tool is widely used in other financial service sectors such as banks, co-operatives. This study will provide input to policy formulation on performance measurement when drafting the framework for consolidated regulation.

Theory: It will also enrich the Theory of the Balance Score Card as a performance measurement tool by providing insights on the underlying principles once evaluated by an industry in application. In addition to obtaining insights on the four perspectives of the Balance Score Card the concepts providing a theoretical basis for this research will also be evaluated and the insights obtained will enrich the theories of Open System, Resource Based View and Dynamic Capability Theory.

Practice: Finally it will assist the practice of Insurance and financial sector by identifying best practice with respect to performance measurement for adoption. The results in this study have implications for both theory and practice. The results imply that the Group has been applying

BSC as a strategic implementation tool and therefore adds to the growing body knowledge of balance score card application in the insurance and financial sector.

5.6 Limitations of the study

This research work was conducted at a time when the top management team were doing budgets for the following financial year. Normally this is a tedious exercise and this delayed the process of data collection. As a result, data collection was not as easy as expected. However, data collected from the respondents was sufficient justify the findings of this research work, make conclusions and recommendations.

Due to time and resource constrains, the study only concentrated on views got from the top management team and ignored the views of the board of directors which sit at the top of the organization. In addition, this study ignored the views of the otherlower cadre managers. Since this was only a case study, the inferences made cannot be generalized to fit the entire industry or generalize for all other organizations.

5.7 Suggestions for Further Studies

The researcher suggests that more studies be done to establish the applicability of multiple performance measurement tools like BSC and performance contract. The findings from such research work will serve as an eye opener for top managers in ICEA LION Group who will then evaluate which of the many options is best to help achieve corporate goals. More studies should be carried out to establish how effective the balanced scorecard has been in achieving the overall corporate goals as well as the challenges faced during the transition from any other strategy implementation tool to

BSC.

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APPENDICES

APPENDIX 1: INTERVIEW GUIDE

1. What is your current position in the organization?

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2. How long have you worked in this position?

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BALANCED SCORE CARD AND STRATEGY IMPLEMENTATION

3. For how long has your organization used the balanced scorecard? (Years)

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4. How has the strategy implementation in your company been influenced by use of the Balanced score card?

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5. To what extent is your organization's strategy implementation guided by financial objectives?

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6. To what extent does your Company consider internal business process (including systems and procedures) in implementing business strategy?

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7. To what extent does need for employee learning and growth drive strategy implementation in your company?

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8. To what extent are customer needs key driving force in strategy implementation in your company?

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9. What, in your view are some of the factors influencing the use of Balanced scorecard in strategy implementation in your Company?.....

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10. What challenges (if any) do you face in the use of balanced score card in strategy implementation in your Company?

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11. What would you recommend to be done to overcome challenges that have in the past or are currently slowing down the process of implementing balanced scorecard in your organization?

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12. What areas/perspectives of the balanced scorecard do you think need more emphasis in order to realize your strategic organizational goals more efficiently and effectively?

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APPENDIX 2: UNDERWRITER’S BALANCED SCORE CARD

COMPANY	: ICEA LION GENERAL INSURANCE COMPANY LTD
DEPARTMENT	: GENERAL UNDERWRITING
POSITION	: UNDERWRITING OFFICER
NAME	: -----
APPRAISAL PERIOD:	JANUARY – JUNE 2014

	Objective	Initiatives	Measures	Targets 2014	Wtng %
Financial Perspective	To implement appropriate strategies to achieve sustained business profitability and competitive return on investment.	<ul style="list-style-type: none"> Prompt and accurate debiting of all renewal business as per the renewal pre-list, new business and endorsements 	<ul style="list-style-type: none"> Extent of completion of debiting. 	<ul style="list-style-type: none"> Debit 100% of all renewal, new business and endorsements by last date of each month Process all credit notes within the month they are due. 	<p>15</p> <p>10</p>
	To continuously enhance and strengthen management and internal controls in order to achieve set expense ratios.	<ul style="list-style-type: none"> Control stationery expenses. 	<ul style="list-style-type: none"> Actual stationery expenses. 	<ul style="list-style-type: none"> Maintain management expense ratio at no more than 15% in 2014,thus ;- 	5

Internal Process	To pursue prudent risk management to improve underwriting results.	<ul style="list-style-type: none"> • submit all risks with sums insured beyond our treaty capacity to Reinsurance department through the Section Head 	<ul style="list-style-type: none"> • Facultative reinsurance placements 	<ul style="list-style-type: none"> • 100% placement of all risks whose sums insured exceed our treaty capacity 	5
	To conform with internal, statutory and industry compliance requirements and procedures.	<ul style="list-style-type: none"> • Compliance with internal policies and procedures as well as with statutory and industry requirements 	<ul style="list-style-type: none"> • Compliance with industry and statutory requirements. 	<ul style="list-style-type: none"> • Achieve 100% compliance with internal, statutory and industry requirements and procedures; Nil penalties as a result of non-compliance. 	5
Customer Perspective	To maintain high levels of operational efficiency to boost service delivery and enhance competitiveness.	<ul style="list-style-type: none"> • Prompt issuance of:- -Policy documents -Renewal endorsement -Renewal notices 	<ul style="list-style-type: none"> • Compliance with document processing turnaround timeliness 	<ul style="list-style-type: none"> • Process new policy documents within 15 days 	15
		<ul style="list-style-type: none"> • Document and resolve customer complaints in 	<ul style="list-style-type: none"> • Documented 	<ul style="list-style-type: none"> • Process re-issued policy documents within 30 days 	20 10

		accordance with complaints Policy.	Complaints	<ul style="list-style-type: none"> Process renewal & other endorsement within 7 days. Process and dispatch renewal notices 60 days before renewal and reminders 14 days before renewal Resolve complaints as soon as possible and/or escalate as necessary 	5 5
Learning & Growth	To implement appropriate employee development initiatives to sustain a competent and motivated workforce	<ul style="list-style-type: none"> Identify & bridge skills & competency gaps. 	<ul style="list-style-type: none"> Completed 2 e-learning & other professional courses/seminars undertaken 	<ul style="list-style-type: none"> Number of E-learning courses identified and completed. Number of professional 	2.5 2.5

				courses/Se minars attended	
	Total				100%

Employee's Name: _____

Signature: _____

Date: _____

Appraiser's Name: _____

Signature: _____

Date: _____

Head of Department's Signature: _____

Date: _____